

ABSTRACT

A system of financing fees to merchants entails uses a third party biller, such as a cellular telephone company, that has a large customer base and a robust billing system. When a payor desires to make a payment, he provides the merchant or broker representing the merchant with an account identifier, phone number, and a PIN number from the third party biller. The payment, minus service charges is transferred to the institution from a fund owned and managed independently of the third party biller, thereby providing rapid payment to the merchant. The biller is compensated by a billing charge and/or by use of the collected funds for a period of time before the funds are repaid to the fund. The system provides liquidity to the merchant and a convenient payment alternative to the payor. The cost to the merchant is potentially much less than the cost of processing credit card payments, with a portion of the cost potentially returned to the merchant in cases where the merchant is an investor in the fund.

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